§ 25106.5-0 Table of Contents

Regulation Sections 25106.5 through 25106.5-11

§ 25106.5

§ 25106.5

- (a) Combined Reporting, In General
- (b) Definitions
 - (1) Combined Report
 - (2) Combined Reporting Method
 - (3) Combined Reporting Group
 - (4) Business Income
 - (5) Combined Report Business Income
 - (6) Total Group Combined Report Business Income
 - (7) Nonbusiness Income
 - (8) Apportionment
 - (9) Taxpayer Member's California Apportionment Percentage (Reserved)
 - (10) Member
 - (11) Taxpayer Member
 - (12) Principal Member
 - (A) Corporations Described
 - (B) Election to Designate Principal Member
 - (C) Inconsistent Principal Member
 - (13) Group Return
 - (14) Key Corporation
 - (15) Fiscalization
 - (16) California Source Carryover Item
 - (17) Income
 - (18) Total Separate Net Income
 - (19) Corporation
- (c) Steps In Determining California Source Income From the Business Income of a Combined Reporting Group (Reserved)
 - (1) Determination of Separate Net Income
 - (A) Adjustments for Intercompany Transactions
 - (B) Capital, etc., Gains and Losses
 - (C) Net Operating Loss Deductions
 - (2) Accounting Methods and Elections
 - (3) Adjustment for Nonbusiness Income, etc.
 - (4) Fiscalization to Principal Member's Year
 - (5) Adjustment for Interest Offset
 - (6) Apportionment of Combined Income, In General
 - (A) Double or Single Weighted Sales Factor
 - (B) Taxpayer Member's Property, Payroll, and Sales Factors

- (C) Taxpayer Member's California Apportionment Percentage
- (D) California Source Apportioned Combined Report Business Income
- (7) Fiscalization to Taxpayer Member's Income Year
- (d) Steps In Determining A Taxpayer Member's Income From Sources Within This State, for Imposition of Tax Reserved
 - (1) Total California Business Income
 - (A) California Combined Report Business Income
 - (B) California Combined Report Business Income, Other Groups
 - (C) Income from Business Wholly Conducted in California
 - (2) Other California Source Items
 - (A) California Source Carryover Items
 - (B) California Capital, etc., Income
 - (C) California Source Nonbusiness Income
 - (3) Application of Interest Offset
 - (4) California Source Net Operating Loss
- (e) Steps In Determining The Taxpayer Member's Tax Liability (Reserved) Tax on Taxpayer Member's California Source Income
- (f) Years to Which this Regulation Applies

§25106.5-2. Capital, Section 1231 of the Internal Revenue Code, and Involuntary Conversion Gains and Losses

- (a) Gains Or Losses From The Sale Or Exchange Of Capital, etc., Assets
- (b) Classification as Business or Nonbusiness Income
- (c) Assignment to Principal Member's Year; Apportionment
- (d) Netting of Apportioned and Allocated Income from Capital, etc., Assets
- (e) Application of Section 1231 Gains
- (f) Application of California Source Income from Capital, etc., Assets
- (g) Capital Loss Carryforward (Reserved)
- (h) Years to Which This Regulation Applies

§ 25106.5-3 Accounting Methods and Elections

- (a) Accounting Methods and Elections, In General
 - (1) Consistency of Member's Income Between Combined Reports
 - (2) Effect of the Election
- (b) Allowance of Late Elections Under an Audit Examination, In General
 - (1) Effect of a U.S. Election
 - (2) Time for Making a Late Election
 - (3) Protective Elections
 - (4) Effect on Subsequent Years
 - (5) Effect of a California Election by a Taxpayer
- (c) Years to Which This Regulation Applies

§ 25106.5-4. Fiscalization

(a) Fiscalization, In General

- (b) Interim Closing Method
 - (1) Income Data from Actual Books and Records
 - (2) Apportionment Data from Actual Books and Records
 - (3) Combination with Principal Member
- (c) Pro Rata Method
 - (1) Election to Use Pro Rata Method
 - (2) Property Factor Under Pro Rata Method
 - (3) Combination with Principal Member
 - (4) Estimation and Amended Returns
- (d) Fiscalization to Taxpayer Member's Income Year
- (e) Years to Which This Regulation Applies
- § 25106.5-5. Interest Offset
- §25106.5-6 California Source Carryover Items (Reserved)
- §25106.5-7 Charitable Contributions (Reserved)
- §25106.5-8 Alternative Minimum Tax (Reserved)

§25106.5-9. Partial Combined Reporting Periods

- (a) Partial Combined Reporting Period, In General
- (b) Partial Combination if Short-Period Return Not Required
- (c) Election to Use Principal Member's Accounting Period
 - (1) Principal and Full Year Member's Income and Apportionment Data
 - (2) Partial Period Member's Income and Apportionment Data
 - (3) Computation of Short-Period Combined Income Under Principal Member's Accounting Period
 - (4) Assignment to Taxpayer Member's Income Year; Application of Taxpayer Member's Other California Source Income
- (d) Years to Which This Regulation Applies

§25106.5-10 Foreign Combination (Renumbered from Original §25106-3)

- (a) In General
 - (1) Unitary Business
 - (2) Translation Method for Determining Income
 - (3) General Application of UDITPA Regulations
- (b) Determination of Income
 - (1) Steps for Computing Unitary Income
 - (A) Profit and Loss Computed in Local Currency
 - (B) Adjustments to Reflect U.S. Accounting
 - (C) Adjustments to Reflect California Revenue and Taxation Code

- (D) Currency Translation to Parent's Currency
- (E) Identification of Business and Nonbusiness Income
- (F) Allocation of Nonbusiness Income
- (G) Combination of Business Income
- (H) California Source Income in Dollars; Computation of Tax
- (2) Combined Reporting from Consolidated Profit and Loss Statements
 - (A) Adjustments to Consolidated Profit and Loss Statements
 - (B) Identification of Business and Nonbusiness Income
 - (C) Allocation of Nonbusiness Income
 - (D) Combination of Business Income
 - (E) California Source Income in Dollars; Computation of Tax
- (3) Special Rules
 - (A) Adjustments to Reflect U.S. Accounting
 - (B) Tax Accounting Adjustments
 - (C) Requirements of Materiality
- (4) Currency Translations
 - (A) Depreciation, Depletion, Amortization
 - (B) Other Items
- (c) Computation of Factors
 - (1) Property Factor
 - (A) Fixed Assets
 - (B) Rental Property
 - (C) Inventories
 - (D) Financial Corporations
 - (E) Computation in Currency of the Parent
 - (2) Payroll and Receipts Factors
 - (A) Currency Translation
 - (B) Effect of Substantial Fluctuation in Currency Values
 - (C) Computation in Currency of the Parent
- (d) Exchange Rates
 - (1) Determination of Exchange Rates
 - (2) Substantial Fluxuation, Defined
- (e) Application of Regulation
 - (1) Reasonable Approximations
 - (2) Advance Determination

§25106.5-11 Group Returns (Reserved)